

SENATE BILL No. 128

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-8-8.

Synopsis: Transfers from the 1977 fund to PERF. Authorizes the transfer of service credit and contributions from the 1977 police officers' and firefighters' pension and disability fund to the public employees' retirement fund (PERF) for appointed police and fire chiefs. Waives all credit for service in the 1977 fund if the transfer to PERF is made. (The introduced version of this bill was prepared by the pension management oversight commission.)

Effective: July 1, 2007.

Young R Michael

January 8, 2007, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 128

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-8-8-7.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 7.2. (a) This section applies to an individual:**

4 (1) **who becomes a member of the 1977 fund under section**
5 **7(h) of this chapter;**

6 (2) **whose appointment as a fire chief or police chief ends after**
7 **June 30, 2007; and**

8 (3) **who is not eligible to receive a benefit from the 1977 fund**
9 **at the end of the individual's appointment as a fire chief or**
10 **police chief.**

11 **(b) A fund member described in subsection (a) may elect:**

12 (1) **to receive the fund member's contributions to the 1977**
13 **fund under section 8 of this chapter; or**

14 (2) **to transfer the fund member's service credit to PERF**
15 **under subsection (c).**

16 **(c) If a fund member makes the election described in subsection**
17 **(b)(2), the PERF board shall:**



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(1) grant to the fund member service credit in PERF for all service earned in the 1977 fund; and

(2) transfer from the 1977 fund to PERF:

(A) the fund member's contributions to the 1977 fund; plus

(B) the present value of the unreduced benefit that would be payable to the transferring fund member upon retirement under section 10 of this chapter.

(d) The PERF board shall deposit the amounts transferred to PERF under subsection (c) as follows:

(1) The fund member's contributions to the 1977 fund shall be credited to the fund member's PERF annuity savings account.

(2) The present value of the unreduced benefit that would be payable to the transferring fund member upon retirement under section 10 of this chapter shall be credited to PERF's retirement allowance account.

(e) For a fund member who makes the election described in subsection (b)(2), all credit for service in the 1977 fund is waived.

SECTION 2. IC 36-8-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) Each fund member shall contribute during the period of ~~his~~ **the fund member's** employment or for thirty-two (32) years, whichever is shorter, an amount equal to six percent (6%) of the salary of a first class patrolman or firefighter. However, the employer may pay all or a part of the contribution for the member. The amount of the contribution, other than contributions paid on behalf of a member, shall be deducted each pay period from each fund member's salary by the disbursing officer of the employer. The employer shall send to the PERF board each year on March 31, June 30, September 30, and December 31, for the calendar quarters ending on those dates, a certified list of fund members and a warrant issued by the employer for the total amount deducted for fund members' contributions.

(b) **Except as provided in section 7.2 of this chapter**, if a fund member ends ~~his~~ **the fund member's** employment other than by death or disability before ~~he~~ **the fund member** completes twenty (20) years of active service, the PERF board shall return to ~~him~~ **the fund member** in a lump sum ~~his~~ **the fund member's** contributions plus interest as determined by the PERF board. If the fund member returns to service, ~~he~~ **the fund member** is entitled to credit for the years of service for which ~~his~~ **the fund member's** contributions were refunded if ~~he~~ **the fund member** repays the amount refunded to ~~him~~ **the fund member** in either a lump sum or a series of payments determined by the PERF board.

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